

# RETIREMENT PLANNING



## PLANNING FOR RETIREMENT

- **Estimate how much you'll need to retire.** A rule of thumb is 70% of your annual pre-retirement income to live comfortably. Factor in health care expenses, as these are likely to go up in retirement.
- **Figure out available income.** Determine your Social Security benefits, then factor in pensions and annuities and your savings / retirement accounts.
- **Spend less than you earn.** Budget now to ensure retirement later.
- **Take advantage of employer contributions.** Use your 401(k) plan to gain "free" money with matching.
- **Pay off debt.** Make paying down high interest debt a priority.
- **Fund an IRA.** Visit a financial advisor to learn about the pros and cons of utilizing a Traditional or Roth IRA as a tax-free retirement account.

## MISTAKES TO AVOID

- **Living too large.** Living outside your means and not savings for retirement will come back to haunt you. Failure to plan can leave some people unable to retire.
- **Disregarding higher health care costs.** This is one of the most overlooked areas of planning. It's estimated that a 65 year old couple will incur an average of \$240,000 in healthcare costs in retirement.
- **No long-term care plan.** It's estimated that 70% of those over 65 years will require care at some point. Create a plan.
- **Not saving enough then and now.** It's never too late to start saving. Make retirement a priority and start saving some amount each month.
- **Not updating your retirement plan.** Review your retirement plan every few years, as income and expenses change. Alter your budget accordingly.

FOR MORE INFORMATION ON RETIREMENT PLANNING, VISIT:

<http://www.forbes.com/sites/advisor/2014/05/07/biggest-retirement-planning-mistakes/2/#ae5b5f21e3b6>

<http://money.cnn.com/pf/money-essentials-retirement-how-much/>

<https://www.fidelity.com/retirement-planning/balance-spending-savings-debt>